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TRENDS IN NET OVERSEAS MIGRATION: NORTHERN TERRITORY

INTRODUCTION

Population change in each state and territory is the combined result of net overseas migration, natural increase (births minus deaths), and net interstate migration (population change through the movement of people from one state or territory to another). All three components of population change contribute, in varying degrees, to the growth, size and structure of the population in each jurisdiction.

Net overseas migration (NOM) has emerged as a highly topical, and somewhat contentious, issue in recent years, particularly within the context of the Sustainable Population Strategy for Australia and the recent impact of international students on population counts. Variations in the number and characteristics of people arriving and departing the country impact on policy decisions and future planning at all levels of government, and on issues such as skilled and unskilled labour supply; national income from the educational services provided to international students; housing availability; cultural diversity; and social cohesion.

This article presents a brief national view of overseas migration, followed by an analysis for the Northern Territory (NT). It uses the most recent data to examine changing patterns in the characteristics of overseas migrants and their contribution to NOM in the NT.

Net Overseas Migration (NOM): Definition

Net overseas migration is the net gain or loss of population through immigration to Australia and emigration from Australia. It is based on an international traveller's duration of stay being in or out of Australia for 12 months or more. It is the difference between the number of incoming international travellers who stay in Australia for 12 months or more, who **are not** currently counted within the population, and are then added to the population (NOM arrivals); and the number of outgoing international travellers (Australian residents and long-term visitors to Australia) who leave Australia for 12 months or more, who **are** currently counted within the population, and are then subtracted from the population (NOM departures).

Under the current method for estimating final net overseas migration, this term is based on a traveller's **actual** duration of stay or absence using the '12/16 month rule'. Preliminary NOM estimates are modelled on patterns of traveller behaviours observed in final NOM estimates for the same period one year earlier. For further information, see [Migration Australia \(cat. no. 3412.0\)](#).

The status of quarterly NOM data changes over time from **preliminary** to **final** as new data become available. An individual's actual true travel behaviour and associated characteristics are only available from final NOM data, as these can only be accurately recorded at the end of the 16 month reference period following a traveller's initial border crossing. For further information, see [Australian Demographic Statistics \(cat. no. 3101.0\)](#).

In this article, the data relating to the 2009 calendar year are final data, whereas those relating to the 2010 calendar year are preliminary. All NOM data used in this article are based on the '12/16 month rule' methodology and are sourced from the ABS Travellers' Characteristics Database.

The National View

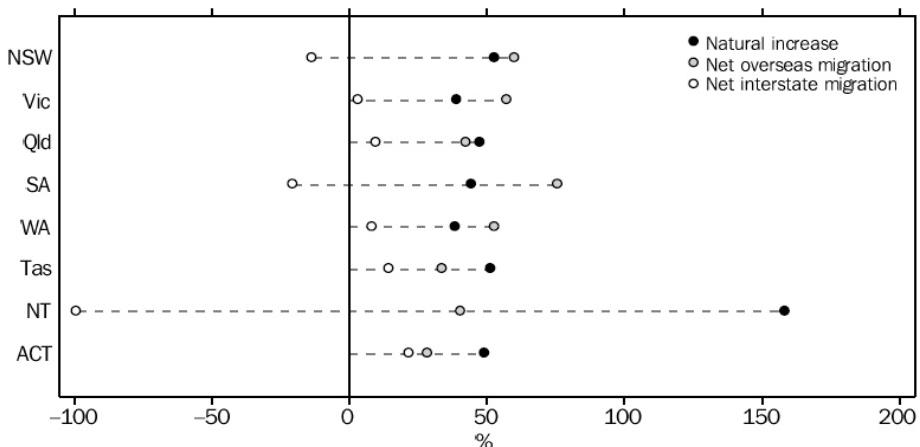
While natural increase has remained relatively stable in recent years, NOM has been far more volatile. The past decade has seen significant fluctuation in immigration estimates due to a number of factors including recent increases in temporary migrants; changing levels of demand for skilled migrants; the relative health of Australia's economy during the global financial crisis; and improvements in methodology to measure the travel behaviour of temporary migrants more effectively.

In recent years, NOM has accounted for over half of the nation's population growth. Preliminary NOM estimates for 2010 added 171,100 persons to Australia's population, representing 54% of the nation's total population growth for the year, with natural increase accounting for the remaining 46%. In 2010, Australia's total population grew by 317,100 persons or 1.4%.

In 2010, NOM contributed the greatest number of people to the most populous states: NSW with a net of 51,100 persons, followed by Victoria (48,000) and Queensland (31,600). The NT received the smallest number with 690 persons.

While all states and territories experienced positive NOM in 2010, it was the main component of population growth in SA (76%), NSW (60%), Victoria (57%), and WA (53%).

Fig 1. Population components, Proportion of total growth(a), 2010 (b)(c)



(a) Each population component as a proportion of a state's or territory's population growth for the calendar year 2010.

(b) These estimates use the '12/16 month rule' methodology for calculating NOM.

(c) Estimates for 2010 are preliminary.

Source: *Australian Demographic Statistics* (cat. no. 3101.0).

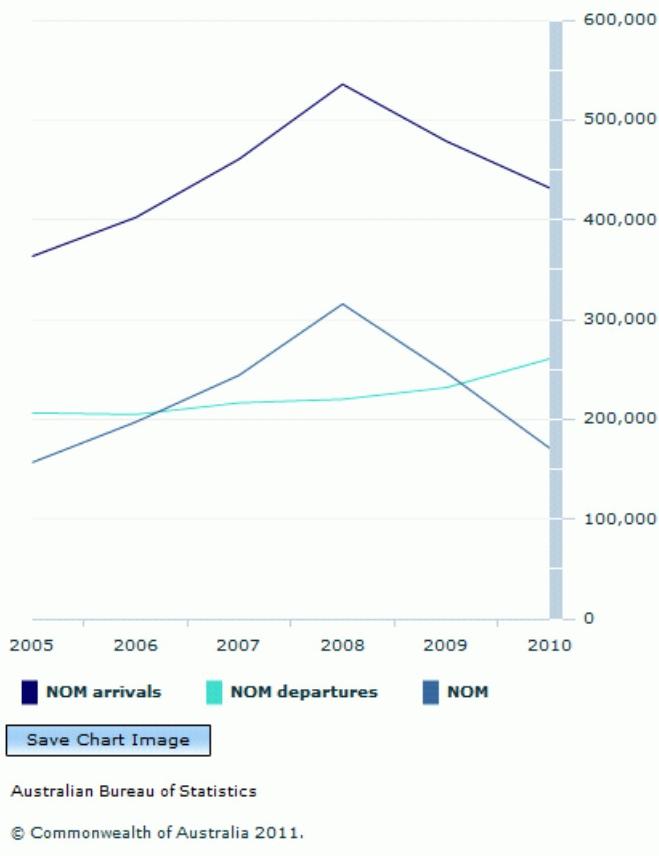
Arrivals and Departures

At the national level, NOM is traditionally positive, with more arrivals than departures contributing to a net increase in Australia's population each year. Over the five years from 2005 to 2010, NOM in Australia increased by 9% (14,300 persons), with arrivals increasing by 19% (68,500 persons) and departures increasing by 26% (54,200 persons).

In 2010, however, NOM declined for the second consecutive year after strong growth for the previous three, with arrivals to Australia dropping by 10% (-46,800 persons) from the previous year and departures increasing by 12% (29,000 persons). The result was an overall decline in NOM of 31%, or 75,800 persons, from the previous year, significantly slowing the five year growth rate.

This decline in net overseas migration to Australia is mainly driven by the temporary visa holders who arrived in earlier years and who are now starting to depart the country in larger numbers. While temporary visa holders, and in particular international students, have been a key driver in the growth of NOM in the three years to 2008, their departures are a major impact on the recent sharp decline in NOM. This reflects recent policy changes restricting eligibility for temporary visa entrants who apply for permanent residency whilst onshore (Australian Productivity Commission 2010, Ch 4, p.21).

Fig 2 Components of Net Overseas Migration(a)(b) - Australia.



Footnote(s): (a)These estimates use the '12-16 month rule' methodology for calculating NOM (b)Estimates for 2010 are preliminary

Source(s): Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

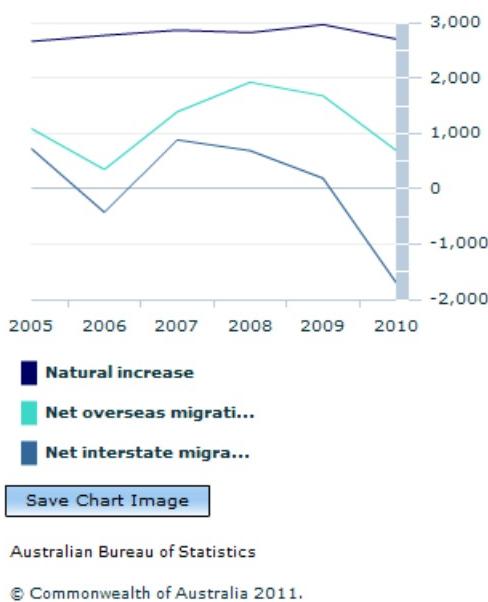
THE NORTHERN TERRITORY

Overseas Migration and Population Growth

While the NT gained population through NOM in 2010, it was not the main component of population growth in this jurisdiction. Preliminary NOM estimates for 2010 added 690 persons to the NT population, representing 0.4% of national NOM and 41% of the territory's total population growth (1,700 persons) for the year.

The main component of population growth in the NT in 2010 was natural increase, which added 2,700 to the territory's population, while net interstate migration removed 1,700 persons.

Fig 3 Population Components(a)(b), NT, 2005-2010



Footnote(s): (a) These estimates use the '12/16 month rule' methodology for calculating NOM. (b) Estimates for 2010 are preliminary.

Source(s): Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

Arrivals and Departures

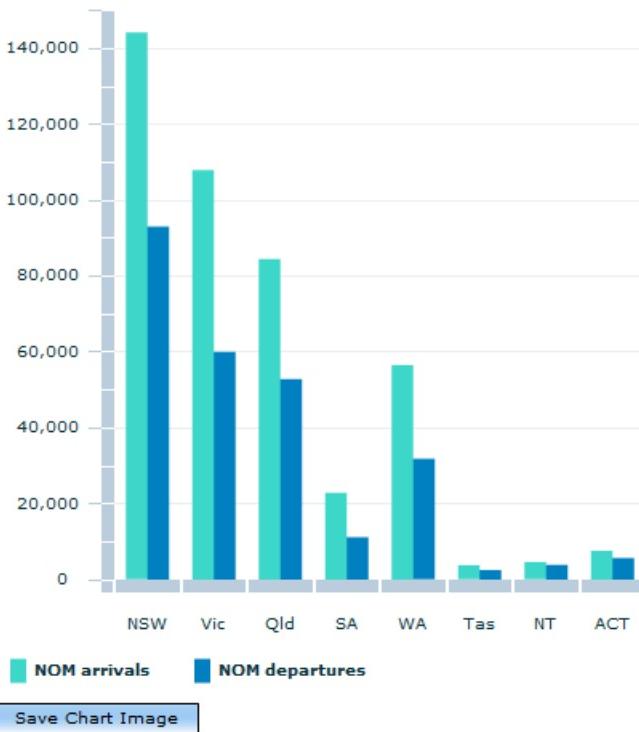
Over the five year period from 2005 to 2010, the NT was the only jurisdiction to experience a decline in NOM, decreasing by 36% (-390 persons), compared with 9% growth at the national level. During this period, arrivals to the NT increased by just 14% (570 persons) while departures increased 33% (960 persons).

In 2010, there were 670 fewer (-13%) overseas arrivals in the NT than in the previous year. However, overseas departures continued to increase with 310 more (9%) departures than in the previous year. The result was an overall decline in NOM of 59% (-980 persons) from 2009, compared with the national decline of 31%. Of the states and territories, the NT recorded the largest proportional decrease in 2010.

Overseas Migration Flows

In 2010, there were 4,600 arrivals to, and 3,900 departures from, the NT. Thus, the combined flows of overseas migration (arrivals and departures) was 8,500. Of the jurisdictions, only Tasmania had smaller flows of overseas migration.

Fig 4 Overseas Migration Flows, State & Territories - 2010 (a)



Australian Bureau of Statistics

Footnote(s): (a) Estimates for 2010 are preliminary.

Source(s): Australian Demographic Statistics (cat. no. 3101.0)

To assess the effect of these gross overseas migration flows, it is useful to consider them as a proportion of the total population. In the NT, overseas migration had a relatively significant effect on population turnover, accounting for 3.7% of the total population in 2010, compared with 3.1% for Australia. Of the jurisdictions, only WA (3.8%) had a higher level of population turnover from overseas migration.

Fig 5 Population Turnover(a) from Overseas Migration, States & Territories, 2010(b)(c)



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Footnote(s): (a) Gross overseas flows as a proportion of a state or territory's total population at 31 December 2010. (b) These estimates use the "12/16 month rule" methodology for calculating NOM. (c) Estimates for 2010 are preliminary.

Source(s): Australian Demographic Statistics (cat. no. 3101.0).

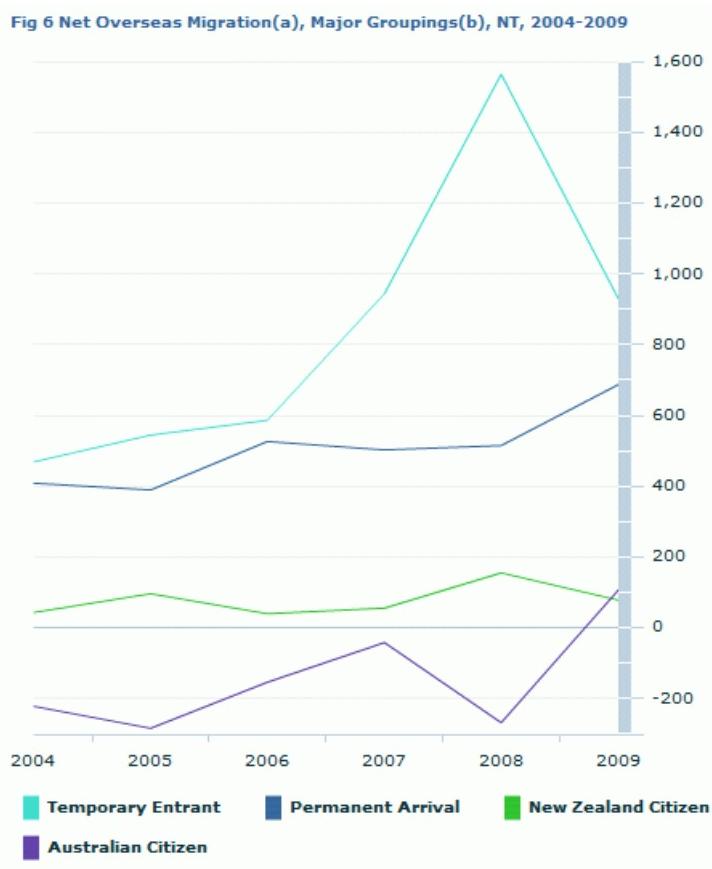
With the introduction of the '12/16 month rule' methodology for estimating NOM, the ABS also developed an analytical data set called the Travellers' Characteristics Database. These improvements allow the derivation of an individual's actual true travel behaviour (using final NOM data) and record certain characteristics of travellers who have contributed to NOM whether they are NOM arrivals or departures. The database provides for additional analysis on final NOM data that was not previously available.

The following analysis of NOM by major groupings and visa types has used data extracted from the Travellers' Characteristics Database. All data from the database are based on the '12/16 month rule' methodology.

Factors that should be taken into account when analysing data from the Travellers' Characteristics Database include the impact of global and regional events, legislative changes in Australia and abroad, and economic activity, all of which can change traveller behaviour.

Major Traveller Groups

In recent years, four major traveller groups have impacted on NOM estimates for the NT: temporary visa holders; permanent visa holders; New Zealand citizens; and Australian citizens. Other traveller groups, having a smaller impact, include residents returning (i.e. non-Australian citizens who are permanent residents) and people travelling with onshore visas or with visa unknown.



Select a different graph

Fig 6.1 NOM(a), Major groupings(b), NT

[Save Chart Image](#)

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Footnote(s): (a)These estimates use the '12/16 month rule' methodology for calculating NOM. (b)Does not include onshore and other visa types. The visa category information in this table represents the visa at the time of a traveller's specific movement. It is the specific movement that has been used to calculate NOM.

Source(s): ABS Traveller Characteristics Database, data available on request.

Over the five years from 2004 to 2009, the number of temporary visa holders contributing to NOM in the NT almost doubled (up 98% from 470 to 930 persons). This was higher than growth at the national level (62%) and in each of the other states and territories. In 2009, however, the net figure for the NT decreased 41% (-630 persons) from the previous

year, significantly slowing the five year growth rate in this jurisdiction.

In comparison, the net number of permanent visa holders contributing to NOM in the NT increased by 68% over the five year period, from 410 to 690 persons. This net growth in permanent visa holders was much higher than growth at the national level (23%) and across most of the other jurisdictions except SA (109%) and the ACT (95%).

For the same period, the net number of New Zealand citizens increased by 81% (40 persons) in the NT. This was higher than growth at the national level (14%) and in each of the other jurisdictions except WA (85%).

Traditionally, Australian citizens have a net negative effect on NOM estimates as more Australians depart each year than return. However, the combined effect of an increase in arrivals and a decrease in departures saw the contribution of Australian citizens to the NT population change, from a net loss of 220 persons in 2004, to a net gain of 110 persons in 2009.

Major Groupings and Visa Type

The following section provides a further breakdown of the major groupings and visa types that contributed to NOM in the NT during 2009, the most recent year for which the data are available.

MAJOR GROUPINGS AND VISA TYPE (a), % of Total NOM, States & Territories, 2009

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Australia
Temporary visas	63.7	63.7	56.9	50.9	53.4	47.6	55.5	67.6	60.0
VET sector	15.5	23.4	15.0	14.4	10.2	5.1	5.7	9.0	16.7
Higher education sector	18.7	19.5	12.0	19.8	10.3	21.3	8.5	27.6	16.7
Student other	11.0	7.7	7.7	5.3	4.8	4.7	3.6	7.1	8.0
Total students	45.2	50.7	34.7	39.4	25.2	31.1	17.8	43.7	41.4
Business long stay (subclass 457)	2.5	4.3	8.4	6.7	14.5	8.6	29.5	11.8	6.4
Visitor(b)	8.4	7.8	8.0	5.1	9.6	9.1	8.8	10.3	8.1
Working holiday	13.6	4.7	9.0	2.5	8.3	1.8	5.2	4.8	8.4
Other temporary visas	-6.1	-3.7	-3.1	-2.9	-4.2	-2.9	-5.8	-3.1	-4.3
Permanent visas	37.1	32.6	23.2	45.0	35.2	43.1	41.0	36.7	33.5
Family	18.4	13.0	9.4	9.2	10.1	14.4	19.4	13.1	13.2
Skill	12.9	15.2	10.9	29.5	20.4	14.5	14.5	19.0	15.4
Special eligibility & humanitarian	5.9	4.5	2.9	6.3	4.7	14.3	7.1	4.6	4.8
New Zealand citizen	5.6	6.2	18.1	2.5	9.0	5.3	4.7	4.1	8.4
Australian citizen	-2.5	-0.1	1.8	3.9	0.2	4.7	6.3	-6.7	-0.1
Other (c)	-4.0	-2.5	-0.1	-2.2	2.2	-0.7	-7.5	-1.7	-1.8
Total	100.0								

(a) The visa category information in this table represents the number of visas based on the visa type at the time of a traveller's specific movement. It is this specific movement that has been used to calculate NOM. Therefore, the number of visas in this table should not be confused with information on the number of visas granted by DIAC.

(b) Visitor visas include tourist, business visitors, medical treatment and other.

(c) Includes residents returning (i.e. non Australian citizens who are permanent residents), onshore visas and visa unknown.

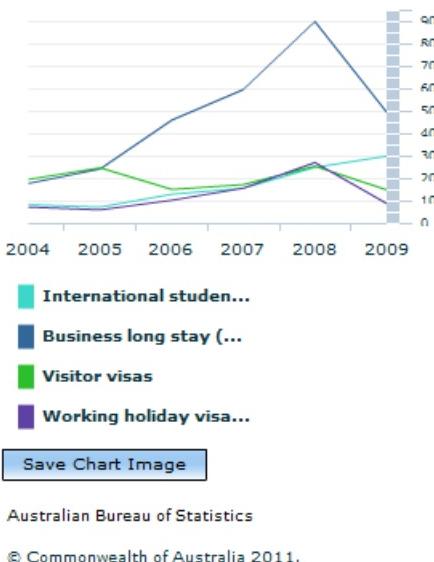
Source: ABS Traveller Characteristics Database, data available on request.

Temporary Visas

In 2009, temporary visa holders made the largest contribution to NOM in the NT, with 56% of the total NOM figure for the year. This was lower than representation at the national level (60%), and in most other jurisdictions except SA (51%), WA (53%) and Tasmania (48%). The number of temporary visa holders arriving in the NT during 2009 was almost 2,000, representing 38% of all arrivals, while the number departing was over 1,000, or 29% of all departures. This resulted in 930 additional temporary visa holders in the NT population.

Temporary visas issued in Australia fall into several categories, the principal ones being International student; Business long stay (457); Visitor and Working holiday visas.

Fig 7 NOM by Temporary Visa Types(a), NT, 2004-2009



Footnote(s): (a)These estimates use the '12/16 month rule' methodology for calculating NOM.

Source(s): ABS Traveller Characteristics Database, data available on request.

International Students

Over the five year period from 2004 to 2009, the net number of international students contributing to NOM in the NT more than tripled (up 263% or 220 persons). This growth in student NOM is mainly attributed to the large disparity between NOM arrivals and NOM departures, which in part reflects the time lag effect of a student's course duration. The disparity could also reflect the number of students who changed their visa and residency status whilst onshore.

In 2009, international students made a smaller contribution to NOM in the NT than business 457 visa holders, adding 300 students to the territory's population, or 18% of total NOM for the year. This was much lower than student representation at the national level (41%) and in each of the other jurisdictions where international students comprised the largest group of temporary visa holders contributing to NOM.

Within this group, international students travelling to the NT on higher education visas formed the largest component, with a net 140 students representing 9% of total NOM in 2009. The vocational educational and training sector represented 6% of total NOM in the NT (100 students) while all other student visas accounted for 4% (60 students).

Business Long Stay Visas

Between 2004 and 2009, the net number of temporary business visas (otherwise known as 457 visas) contributing to the NT population more than doubled (up by 179%, or 320 persons). This growth in Business 457 visas most likely reflects Australia's relatively buoyant economy over recent years with low unemployment and recognised labour shortages attracting international migrants to the territory.

Temporary business entrants can stay in Australia for up to four years and can also apply for other visas during their stay. They may also obtain permanent residency under the Employer Nomination Scheme, the Regional Sponsored Migration Scheme, a Labour Agreement, or the Skilled Independent visa program. The sharp decline (-45%) in business 457 visa holders for the NT in 2009 may, in part, reflect the economic uncertainty faced by employers during the Global Financial Crisis.

Despite this, people entering with business 457 visas made up the largest group of temporary visa holders contributing to NOM in 2009, adding a net 490 persons to the territory's population, or 29% of the total NOM figure for the year. This was much higher than representation at the national level (6%) and in each of the other jurisdictions.

Visitor Visas

Over the five years from 2004 to 2009, the net number of long-term visitors (staying 12 months or more) contributing to the NT population decreased, with 50 fewer (-24%) visitors in 2009 than in 2004. In 2009, this group contributed 150 persons to the NT population, representing 9% of total NOM for the year. This was consistent with representation at the national level (8%), and similar to representation in the other jurisdictions. Of this group, 82% were tourists, 9% were business visitors, 5% were sponsored family visitors, and the remaining 5% were visitors of other types.

Working Holiday Visas

Working holiday-makers are permitted to stay for a period of up to 12 months from the date of initial entry. However, many of these visa holders stay more than 12 months, and therefore contribute to NOM estimates. This includes people who have undertaken seasonal work in regional Australia and become eligible to apply for a second working holiday visa, as well as those who have applied for, and been granted, a different visa whilst onshore.

Between 2004 and 2009, the net number of working holiday-makers contributing to NOM in the NT increased by 23% (20 persons). Most of this growth occurred between 2005 and 2008 when Australia's relatively strong economic standing may have increased the appeal for international travellers to visit and work temporarily in the NT.

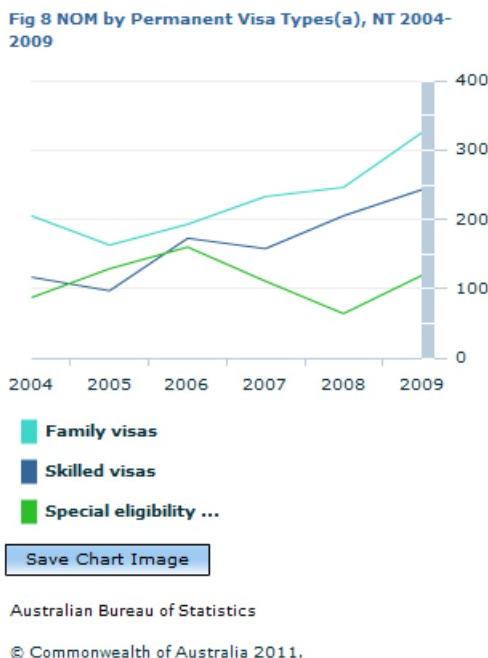
However, there was a sharp decline in working holiday-makers contributing to NOM in the NT during 2009, down 68% from the previous year. Despite this, people entering with working holiday visas added a net 90 persons to the territory's population, or 5% of total NOM for the year. This was slightly lower than representation at the national level (8%), and similar to that in each of the other states and territories. Of these, only NSW (14%) recorded a significantly higher level of representation.

Permanent Visas

Permanent visa holders made a slightly smaller contribution to total NOM in the NT in 2009 than temporary visa holders (41% and 56% respectively). However, this was higher than the proportion of permanent visas recorded at the national level (34%) and in most other jurisdictions except SA (45%) and Tasmania (43%).

In 2009, the number of permanent visa holders arriving in the NT was 730 persons, representing 14% of all arrivals, while the number departing was 40 persons, or 1% of all departures. This resulted in 690 permanent visa holders being added to the NT population.

Permanent visas are grouped under three broad categories: Family visas; Skilled visas; and Special eligibility and humanitarian visas.



Footnote(s): (a) These estimates use the '12/16 month rule' methodology for calculating NOM.

Source(s): ABS Traveller Characteristics Database, data available on request.

Family Visas

Over the five years to 2009, there was a 59% (120 persons) increase in the net number of family visa holders (granted offshore) contributing to the NT population. In 2009, family visas made up the largest group of permanent visa holders contributing to NOM in the territory, providing a net gain of 330 persons, or 19% of total NOM, for the year. In comparison, the representation of family visas at the national level was slightly lower at 13%, and lower in each of the other jurisdictions.

Skilled Visas

For the five years to 2009, the NT experienced a doubling (108% or 130 persons) of the net number of permanent skilled visa holders (granted offshore) contributing to NOM, reflecting the increased policy focus on skilled migration since the late 1990s as well as the labour shortages associated with Australia's relatively strong economy in recent years.

In 2009, however, this visa group made a smaller contribution (240 persons or 15% of total NOM) to the NT population than family visa holders. While this proportion was consistent with that for Australia as a whole (15%), it was considerably below that in SA (29%), WA (20%) and the ACT (19%).

Special Eligibility and Humanitarian Visas

Special eligibility visas relate mainly to former citizens and residents requiring special visas to enter the country. This visa category contains very small numbers and has therefore been combined with the Humanitarian visa category, managed by the Australian Department of Immigration and Citizenship. The offshore resettlement component of the Humanitarian Program has two categories: refugees and a special humanitarian program.

Between 2004 and 2009, the net number of special eligibility and humanitarian visa holders (granted offshore) contributing to NOM in the NT increased by 37% or 30 persons. In 2009, this group made a net contribution of 120 persons to the NT population, or 7% of total NOM for the year. This was similar to representation at the national level (5%) and in most other states and territories. Only Tasmania recorded a significantly higher proportion in this group of visa holders (14%).

New Zealand Citizens

In comparison with temporary and permanent visa entrants, New Zealand citizens made a relatively small contribution to total NOM for the NT in 2009 (5%). This was only slightly lower than their proportional representation at the national level (8%) and similar to that recorded in each of the other jurisdictions except Queensland (18%). With 360 New Zealand citizens arriving in the NT in 2009 (7% of all arrivals), and 280 departing (8% of all departures), this group contributed 80 persons to the territory's population.

Australian citizens

Among the major NOM groupings, Australian citizens traditionally make a negative contribution to NOM. In the NT, they made a small positive contribution (6%) in 2009, adding almost 110 people to the territory's population. The number of Australian citizens returning to the NT in 2009 was just over 1,000 persons, representing 19% of all arrivals, while the number departing was almost 910, or 25% of all departures. In comparison, the contribution of Australian citizens to national NOM was -0.1%, although most states and territories recorded positive contributions from Australian citizens and only NSW, Victoria and the ACT recorded negative contributions.

CONCLUSION

While NOM has not been the main component of population growth in the NT, it has been an important source of growth in the five years to 2010.

Underpinning much of the recent growth in NOM was a large increase in the number of temporary business 457 visa holders arriving in the NT between 2005 and 2008, with low unemployment and labour shortages serving as a drawcard for international migrants.

This growth in temporary business 457 visas may also be attributed to the time lags in visa duration (up to 4 years), and the propensity for some temporary business entrants to change their visa and residency status whilst onshore. Of the jurisdictions, the NT had the highest proportional representation of business 457 visas in total NOM figures for 2009.

The second largest contribution to NOM in the NT in 2009 came from permanent family visa holders, representing 19% of total NOM for the year (the highest among all the jurisdictions). International students ranked third in terms of their contribution to NOM in the NT in 2009. However, their proportional contribution was lowest among all the states and territories. Moreover, the NT was the only jurisdiction where international students did not represent the largest group of visa holders contributing to NOM.

With skilled migration being a key focus of national immigration policy since the late 1990s, permanent skilled visa holders were also relatively well represented in the NT's NOM estimates for 2009 compared with their representation in other states and territories. Of the various visa types, this visa group ranked fourth in terms of their contribution to NOM in the territory.

Significantly slowing the five year growth rate in total NOM, estimates for 2009 and 2010 show a sharp decline in net overseas migration to the NT. This was driven by a combination of a decrease in arrivals and an increase in departures for temporary visa holders and in particular business 457 visa holders.

Overseas migration has made an increasing contribution to the NT's population growth since 2006, with business 457 visas, family visas, international students and permanent skilled visas having a significant impact on the size and structure of the territory's total population.

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